

**STATE OF HAWAII**  
**CONTRACT FOR GOODS OR SERVICES**  
**BASED UPON**  
**COMPETITIVE SEALED BIDS**

This Contract, executed on the respective dates indicated below, is effective as of \_\_\_\_\_, \_\_\_\_\_, between \_\_\_\_\_ Hawaii Public Housing Authority \_\_\_\_\_,  
(Insert name of state department, agency, board or commission)  
 State of Hawaii ("STATE"), by its \_\_\_\_\_ Executive Assistant \_\_\_\_\_,  
(Insert title of person signing for State)  
 (hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")),  
 whose address is 1002 North School Street  
 \_\_\_\_\_ and \_\_\_\_\_  
 ("CONTRACTOR"), a \_\_\_\_\_  
(Insert corporation, partnership, joint venture, sole proprietorship, or other legal form of the Contractor)  
 under the laws of the State of \_\_\_\_\_, whose business address and federal  
 and state taxpayer identification numbers are as follows: \_\_\_\_\_

**RECITALS**

A. The STATE desires to retain and engage the CONTRACTOR to provide the goods or services, or both, described in this Contract and its attachments, and the CONTRACTOR is agreeable to providing said goods or services, or both.

B. The STATE has issued an invitation for competitive sealed bids, and has received and reviewed bids submitted in response to the invitation.

C. The solicitation for bids and the selection of the CONTRACTOR were made in accordance with section 103D-302, Hawaii Revised Statutes ("HRS"), Hawaii Administrative Rules, Title 3, Department of Accounting and General Services, Subtitle 11 ("HAR"), Chapter 122, Subchapter 5, and applicable procedures established by the appropriate Chief Procurement Officer ("CPO").

D. The CONTRACTOR has been identified as the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation.

E. Pursuant to \_\_\_\_\_ Section 356D-4, HRS \_\_\_\_\_, the STATE  
(Legal authority to enter into this Contract)  
 is authorized to enter into this Contract.

F. Money is available to fund this Contract pursuant to:

(1) \_\_\_\_\_  
(Identify state sources)

or (2) \_\_\_\_\_  
(Identify federal sources)

or both, in the following amounts: State \$ \_\_\_\_\_  
 Federal \$ \_\_\_\_\_

NOW, THEREFORE, in consideration of the promises contained in this Contract, the STATE and the CONTRACTOR agree as follows:

1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the STATE, provide all the goods or services, or both, set forth in the Invitation for Bids number OED-2014-09 ("IFB") and the CONTRACTOR'S accepted bid ("Bid"), both of which, even if not physically attached to this Contract, are made a part of this Contract.

2. Compensation. The CONTRACTOR shall be compensated for goods supplied or services performed, or both, under this Contract in a total amount not to exceed

\_\_\_\_\_ DOLLARS  
(\$ \_\_\_\_\_), including approved costs incurred and taxes, at the time and in the manner set forth in the IFB and CONTRACTOR'S Bid.

3. Time of Performance. The services or goods required of the CONTRACTOR under this Contract shall be performed and completed in accordance with the Time of Performance set forth in Attachment-S3, which is made a part of this Contract.

4. Bonds. The CONTRACTOR ☐ is required to provide or ☒ is not required to provide: ☐ a performance bond, ☐ a payment bond, ☐ a performance and payment bond in the amount of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_).

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the CONTRACTOR is attached to and made a part of this Contract.

6. Other Terms and Conditions. The General Conditions and any Special Conditions are attached to and made a part of this Contract. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. In the event of a conflict among the documents, the order of precedence shall be as follows: (1) this Contract, including all attachments and addenda; (2) the IFB, including all attachments and addenda; and (3) the CONTRACTOR'S Bid.

7. Liquidated Damages. Liquidated damages shall be assessed in the amount of NA \_\_\_\_\_ DOLLARS (\$ 0.00 \_\_\_\_\_) per day, in accordance with the terms of paragraph 9 of the General Conditions.

8. Notices. Any written notice required to be given by a party to this Contract shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid. Notice to the STATE shall be sent to the HOPA'S address indicated in the Contract. Notice to the CONTRACTOR shall be sent to the CONTRACTOR'S address indicated in the Contract. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier. The CONTRACTOR is responsible for notifying the STATE in writing of any change of address.

IN VIEW OF THE ABOVE, the parties execute this Contract by their signatures, on the dates below, to be effective as of the date first above written.

#### STATE

\_\_\_\_\_  
(Signature)

Barbara E. Arashiro

\_\_\_\_\_  
(Print Name)

Executive Assistant

\_\_\_\_\_  
(Print Title)

\_\_\_\_\_  
(Date)

#### CONTRACTOR

\_\_\_\_\_  
(Name of Contractor)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Title)

\_\_\_\_\_  
(Date)

CORPORATE SEAL  
(If available)

APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy Attorney General

\* Evidence of authority of the CONTRACTOR'S representative to sign this Contract for the CONTRACTOR must be attached.



STATE OF HAWAII

CONTRACTOR'S ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ )  
 ) SS.  
\_\_\_\_\_ COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ before me appeared  
\_\_\_\_\_ and \_\_\_\_\_, to me  
known, to be the person(s) described in and, who, being by me duly sworn, did say that he/she/they is/are  
\_\_\_\_\_ and \_\_\_\_\_ of  
\_\_\_\_\_, the  
CONTRACTOR named in the foregoing instrument, and that he/she/they is/are authorized to sign said  
instrument on behalf of the CONTRACTOR, and acknowledges that he/she/they executed said  
instrument as the free act and deed of the CONTRACTOR.

(Notary Stamp or Seal)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

Notary Public, State of \_\_\_\_\_

My commission expires: \_\_\_\_\_

Doc. Date: \_\_\_\_\_ # Pages: \_\_\_\_\_

Notary Name: \_\_\_\_\_ Circuit

Doc. Description: Contract for Goods or Services Based Upon

Competitive Sealed Bids

\_\_\_\_\_  
(Notary Stamp or Seal)

\_\_\_\_\_  
Notary Signature

\_\_\_\_\_  
Date

NOTARY CERTIFICATION



# STATE OF HAWAII

## CONTRACTOR'S STANDARDS OF CONDUCT DECLARATION

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of \_\_\_\_\_, CONTRACTOR, the undersigned does declare as follows:

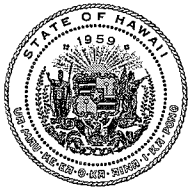
1. CONTRACTOR ☐ is ☐ is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. CONTRACTOR has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84-15(b), HRS).
3. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. CONTRACTOR has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

CONTRACTOR understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

\* Reminder to Agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of \$10,000, the Contract must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive sealed proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

### CONTRACTOR

By \_\_\_\_\_  
(Signature)  
Print Name \_\_\_\_\_  
Print Title \_\_\_\_\_  
Name of Contractor \_\_\_\_\_  
Date \_\_\_\_\_



**STATE OF HAWAII**  
**SCOPE OF SERVICES**

CONTRACTOR: \_\_\_\_\_

1. It is understood and agreed that the following documents, and any amendments or addenda thereto, comprise the Contract between the parties governing the work to be performed by the CONTRACTOR for professional legal services: (1) Contract for Goods or Services Based Upon Competitive Sealed Bids including the Contractor's Acknowledgement, Contractor's Standard of Conduct Declaration, Attachments S1, S2, S3, S4, and S5; (2) General Conditions, AG-008 103D General Conditions; (3) General Conditions for Non-Construction Contracts, Form HUD-5370-C; (4) Invitation for Bids No. OED-2014-09 and all addenda; (5) CONTRACTOR's accepted bid offer dated \_\_\_\_\_. These documents are collectively referred to as the "Contract Documents".
2. The CONTRACTOR shall, in a satisfactory and proper manner as determined by the STATE, and in strict accordance with the Contract Documents provide professional legal services to the Hawaii Public Housing Authority (HPHA).
3. The CONTRACTOR shall furnish, in accordance with the Contract Documents, all labor and other means necessary to provide professional legal services as described in Invitation for Bids OED-2014-09 and the CONTRACTOR's accepted bid offer. If there is a conflict between the CONTRACTOR'S accepted bid offer and this Contract, the Contract shall prevail.
4. Management Requirements

The CONTRACTOR shall:

- a. Exercise best professional judgment in furnishing legal services as it relates to U.S. Department of Housing and Urban Development (HUD) Programs, which includes, but not limited to:
  - (1). Redevelopment of Kuhio Park Terrace, Kuhio Homes and Mayor Wright Homes.
    - (A) Provide legal services with respect to negotiations, preparation and review of all debt financing documents and development agreements.
    - (B) Prepare the necessary legal opinion regarding best partnership structures to secure the HPHA assets.
    - (C) Review all HUD submission documents, which may include Mixed-finance ACC Amendment with Rider and Exhibits, Declaration of Restrictive Covenants; Regulatory and Operating Agreement and as needed, documents, certifications and opinions of project.
    - (D) Advise on property title work and related real estate services.



## STATE OF HAWAII

### SCOPE OF SERVICES

- (E) Prepare and/or review related documents such as appraisal, survey, title insurance, deed, easements.
  - (F) Provide legal assistance with respect to all HUD financing related issues.
  - (G) Participate in meetings and contract negotiations.
  - (H) Collaborate with the HPHA Board of Directors, staff, designated State Deputy Attorney General(s), and the HPHA developer.
  - (I) Available for legal support with respect to all possible issues and documentary requirements related to the redevelopment of Kuhio Park Terrace, Kuhio Homes, and Mayor Wright Homes.
  - (J) Provide legal assistance with reviewing contracts and documents related to energy savings performance contracting.
  - (K) Review all closing documents and prepare all HPHA closing documents and provide opinions as needed.
- (2). Redevelopment, acquisition, and or new construction of low income and or affordable housing.
  - (3). Resolve issues related to Section 9(g)(3) of the United States Housing Act of 1937 ("Faircloth Amendment") and increase of operating subsidy.
  - (4). Establishment of a non-profit arm or subsidiary to the HPHA.
- b. Adhere to the HPHA timelines in accomplishing the aforementioned projects and shall be capable of managing the projects concurrently.
  - c. Obtain final approval from the HPHA and/or the Attorney General's Office, or their designee on all documents including the master development agreement.
  - d. Be required to participate in project status meetings every two weeks with the STATE and the Attorney General's Office, or on an as-needed basis. The meeting day and time shall be specified by the STATE.
  - e. Correct performance issues within (5) working days upon receipt of notification issued by the Contract Administrator to avoid delays in invoice payments.



## STATE OF HAWAII

# SCOPE OF SERVICES

### 5. Personnel Requirements

The CONTRACTOR shall:

- a. Ensure that all personnel meet the minimum qualifications, including licensing and experience requirements as appropriate.
- b. Maintain and implement a plan to ensure minimal disruption of services due to staff turnovers, vacancies, vacation, or other personnel changes.
- c. Be solely responsible for the behavior and conduct of their employees or agents on the HPHA property and shall instruct personnel to fully cooperate with the Contract Administrator.
- d. Agree to remove any of his employees from providing services to the HPHA upon written request by the Contract Administrator.

### 6. Administrative Requirements

- a. The CONTRACTOR shall maintain its own written administrative policies, at a minimum, addressing the following:
  - (1). Drug Free Workplace Policy;
  - (2). Sexual Harassment Awareness in the Workplace Policy;
  - (3). Non-Violence in the Workplace Policy;
  - (4). Standards of Conduct;
  - (5). Fair Housing; and
  - (6). Americans with Disabilities Act.

The CONTRACTOR shall maintain evidence that all staff were adequately informed of their requirements and obtain their agreement to comply with the said policies. The CONTRACTOR shall be solely responsible for the conduct of their employees and for their compliance with its administrative policies.

- b. The CONTRACTOR further agrees and shall include in its administrative policy that it does not and shall not discriminate against any employee or applicant for employment.

Such action shall include, without limitation, to the following:

- (1). Employment, upgrading, demotion, or transfer;
- (2). Recruitment or recruitment advertising;
- (3). Layoff or termination;
- (4). Rates of pay or other forms of compensation; and
- (5). Selection for training, including apprenticeship.



**STATE OF HAWAII**  
**SCOPE OF SERVICES**

- c. The CONTRACTOR shall comply with requirements of the Department of Housing and Urban Development, pursuant to its regulations issued under Title VI of the Civil Rights Act of 1964; said regulations set forth in 24, CFR, Subtitle A, Part I.I et seq.





STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

CONTRACTOR: \_\_\_\_\_

1. Subject to the receipt of Federal under the Annual Contributions Contract and Section 161 of the Housing & Community Development Act of 1992 (HCDA 1992), Public Law 102-550, approved October 28, 1992, the STATE agrees to pay the CONTRACTOR for services satisfactorily performed under this Contract a sum of money not to exceed \_\_\_\_\_ and **xx/100 Dollars (\$ \_\_\_\_\_)** for the Contract period.

Subject to the availability and receipt of State funds, the STATE agrees to pay the CONTRACTOR for services satisfactorily performed under this Contract, a sum of money not to exceed \_\_\_\_\_ and **xx/100 Dollars (\$ \_\_\_\_\_)** for the Contract period

The total Contract amount shall not exceed \_\_\_\_\_ and **xx/100 Dollars (\$ \_\_\_\_\_)**.

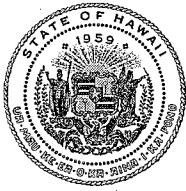
2. The CONTRACTOR shall be reimbursed at the accepted bid price per hour for personnel costs attached hereto and incorporated as Exhibit A. The bid price per hour shall be the all-inclusive cost to STATE, including all applicable taxes, for delivery of the services as specified in IFB PMB-2014-09.

See Exhibit A.

3. Allowable direct project reimbursable expenditures shall include the following:
  - a. Travel costs, which includes coach class airfare, per diem not to exceed \$50 per person per day, lodging not to exceed \$120 per person per day, and ground transportation (compact or sedan size rental car not to exceed \$60 per day and actual cost of taxi/cab);
  - b. Reproduction/Photocopying costs; and
  - c. Courier service costs (i.e. Federal Express, U.S. Postal Services).

Reimbursement shall be based on actual costs incurred and is limited to the specified rates above; The CONTRACTOR shall be responsible for costs exceeding the allowable reimbursable rates should the actual cost exceed the rates listed above. The CONTRACTOR shall obtain prior written approval from the HPHA for reimbursable costs not listed above or to request for deviation from the requirements and rates listed above.

Direct project reimbursable expenditures are not part of the Contract price and reimbursements shall be processed through a purchase order.



STATE OF HAWAII

**COMPENSATION AND PAYMENT SCHEDULE**

4. Funds are subject to appropriation by the U.S. Congress and allocation by the U.S. Department of Housing and Urban Development (HUD). Funding and period of availability may change upon notice by HUD to the STATE. If there should be insufficient funds for any portion of the 36-month Contract period, the STATE may terminate the Contract or revise the amount/quantity of services required without penalty.

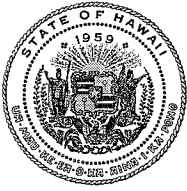
State funds are subject to appropriation by the State's Director of Finance and allocation by the Governor and/or State Legislature. Funding and period of availability may change upon notice by the STATE. If there should be insufficient state funds for any portion of the 36-month Contract period, the STATE may terminate without penalty the Contract or may revise the amount/quantity of services required.

5. Upon execution of this Contract, payments shall be paid in accordance with and subject to the following:

- a. The CONTRACTOR shall submit an original itemized invoice along with receipts for reimbursable expenditures for services rendered on a monthly basis to:

Hawaii Public Housing Authority  
Office of the Executive Director  
1002 North School Street  
P.O. Box 17907  
Honolulu, HI 96817

- b. Section 103-10, HRS, provides that STATE shall have thirty (30) calendar days after receipt of invoice or satisfactory delivery of goods or performance of the services to make payment. Upon receipt of the invoice, the HPHA shall date stamp the invoice, and use this receipt date to calculate the thirty (30) day payment period. For purposes of this paragraph, the CONTRACTOR's invoice date shall not be considered.
- c. All invoices shall reference the Contract number assigned to this Contract. Payment shall be made in accordance with section 103-10, HRS, upon certification by the Contract Administrator or his/her designee that the CONTRACTOR has satisfactorily provided the goods/services specified.
- d. The HPHA shall retain five percent (5%) of the amount due for each monthly billing as the withholding until final settlement of the Contract. Requests for payments shall detail the gross amount requested, the withholding amount and the net amount due to the Successful Bidder.
- e. For final payment, the Successful Bidder must submit a valid tax clearance certificate and a "Certification of Compliance for Final Payment" (Form SPO-22). A copy of the Form is available at [www.spo.hawaii.gov](http://www.spo.hawaii.gov). Select "Forms for Vendors/Contractors" from the



STATE OF HAWAII

**COMPENSATION AND PAYMENT SCHEDULE**

Chapter 103D, HRS link. The original tax clearance certificate, not over two (2) months old, with an original green certified copy stamp, and Form SPO-22 must accompany the invoice for final payment. A valid HCE Certificate of Vendor Compliance, in lieu of the tax clearance, is acceptable.

6. The CONTRACTOR shall correct performance issues within five (5) working days upon receipt of notification issued by the Contract Administrator to avoid delays in invoice payments.



STATE OF HAWAII

**TIME OF PERFORMANCE**

CONTRACTOR: \_\_\_\_\_

1. The term of this Contract for the provision of professional legal services to the HPHA shall be from 36-month performance period upon the HPHA's issuance of a Notice to Proceed.
2. No goods or services shall be issued, delivered, or rendered on this Contract before a Notice to Proceed is issued.



## STATE OF HAWAII

# CERTIFICATE OF EXEMPTION FROM CIVIL SERVICE

## 1. By Heads of Departments Delegated by the Director of the Department of Human Resources Development ("DHRD").\*

Pursuant to a delegation of the authority by the Director of DHRD, I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to § 76-16, Hawaii Revised Statutes (HRS).

(Signature)

Hakim Ouansafi

(Date)

(Print Name)

Executive Director

(Print Title)

\* This part of the form may be used by all department heads and the heads of attached agencies to whom the Director of DHRD expressly has delegated authority to certify § 76-16, HRS, civil service exemptions. The specific paragraph(s) of § 76-16, HRS, upon which an exemption is based should be noted in the contract file. If an exemption is based on § 76-16(b)(15), the contract must meet the following conditions:

- (1) It involves the delivery of completed work or product by or during a specific time;
- (2) There is no employee-employer relationship; and
- (3) The authorized funding for the service is from other than the "A" or personal services cost element.

**NOTE:** Not all attached agencies have received a delegation under § 76-16(b)(15). If in doubt, attached agencies should check with the Director of DHRD prior to certifying an exemption under § 76-16(b)(15). Authority to certify exemptions under §§ 76-16(b)(2), and 76-16(b)(12), HRS, has not been delegated; only the Director of DHRD may certify §§ 76-16(b)(2), and 76-16(b)(12) exemptions.

## 2. By the Director of DHRD, State of Hawaii.

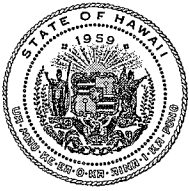
I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to §76-16, HRS.

(Signature)

(Date)

(Print Name)

(Print Title, if designee of the Director of DHRD)



**STATE OF HAWAII**  
**SPECIAL CONDITIONS**

CONTRACTOR: \_\_\_\_\_

1. The CONTRACTOR shall maintain insurance acceptable to the STATE in full force and effect throughout the term of this contract. The policies of insurance maintained by the CONTRACTOR shall provide the following coverage.

<u>Coverage</u>	<u>Limit</u>
<b>General Liability Insurance</b> (occurrence form)	<u>\$2,000,000.00</u> combined single limit per occurrence for bodily injury and property damage.
<b>Automobile Insurance</b> covering all owned, non-owned and hired automobiles.	Bodily injury liability limits of <u>\$1,000,000.00</u> each person and <u>\$1,000,000.00</u> per accident and property damage liability limits of <u>\$1,000,000.00</u> per accident OR combined single limit of <u>\$2,000,000.00</u> .
<b>Workers Compensation</b> as required by laws of the State of Hawaii.	Insurance to include Employer's Liability. Both such coverages shall apply to all employees of the CONTRACTOR and to all employees of sub-CONTRACTORS (in case any sub-CONTRACTOR fails to provide adequate similar protection for all his employees).
<b>Professional Liability</b> (Errors and Omission)	<u>\$1,000,000.00</u> per occurrence and <u>\$3,000,000.00</u> annual aggregate

a. The State of Hawaii, the Hawaii Public Housing Authority, its elected and appointed officials, officers and employees shall be named as additional insured, except for Professional Liability Insurance and Workers Compensation Insurance, as respects to operations performed for the State of Hawaii under this Contract. The CONTRACTOR agrees to provide the STATE before the effective date of the Contract, certificate(s) of insurance necessary to satisfy the STATE that the CONTRACTOR is in compliance with insurance provisions of this Contract and to keep such insurance in effect and the certificate(s) therefore on deposit with the STATE during the entire term of this Contract. Upon request by the State, the CONTRACTOR shall furnish a copy of the policy or policies.

b. Failure of the CONTRACTOR to provide and keep in force such insurance shall be a material default under this Contract. The STATE shall be entitled to exercise any or all of the remedies provided in this Contract and by law for default by the CONTRACTOR.

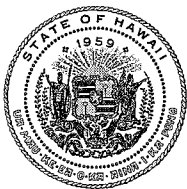
c. The procuring of such required policy or policies of insurance shall not be construed to limit CONTRACTOR's liability hereunder or to fulfill the indemnification provisions and requirements of this Contract. Notwithstanding said policy or policies of insurance, CONTRACTOR shall be obliged for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this Contract.



## STATE OF HAWAII

### SPECIAL CONDITIONS

- d. The insurer shall notify the STATE in writing of any cancellation or change in provisions thirty (30) calendar days prior to the effective date of such cancellation or change.
  - e. The Hawaii Public Housing Authority is a self-insured STATE agency. The CONTRACTOR's insurance shall be primary. Any insurance maintained by the State of Hawaii shall apply in excess of, and shall not contribute with, insurance provided by the CONTRACTOR.
  - f. To satisfy the minimum coverage limits required by this Contract, the CONTRACTOR may use an umbrella policy in addition to the mandatory insurance policies (i.e. General Liability Insurance, Automobile Insurance, and Workers' Compensation) provided that the HPHA approves, and the umbrella policy follows the underlying coverage forms.
2. The CONTRACTOR shall have a permanent office in the from where he/she conducts business and where he/she will be accessible to telephone calls during normal State of Hawaii government business hours from 7:45 a.m. to 4:30 p.m. HST for concerns or requests that need immediate attention. An answering service is not acceptable.
  3. Section 3 of the U.S. Housing Act of 1968
    - a. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
    - b. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
    - c. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

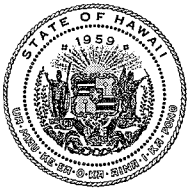


## STATE OF HAWAII

### SPECIAL CONDITIONS

- d. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
  - e. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
  - f. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- 4. The STATE shall monitor the performance of work on an ongoing basis through desk monitoring, site inspection and/or other appropriate methods.
  - 5. It is understood that the HPHA, the Attorney General's Office, the STATE, its auditors, the U.S. Department of Housing and Urban Development (HUD), the Legislature and other designated representatives may monitor performance under this Contract. Based on monitoring findings, the CONTRACTOR may be requested to provide additional information or reports not previously requested or required, including a corrective action plan.
  - 6. In the event the CONTRACTOR fails, refuses, or neglects to perform the services in accordance with the requirements of the Invitation for Bids number IFB PMB-2014-09 or the Contract, the STATE reserves the right to purchase in the open market a corresponding quantity of services, and to deduct the cost of such services from any monies due or may thereafter become due the CONTRACTOR. In case money due to the CONTRACTOR is insufficient for the purpose, the CONTRACTOR shall pay the difference upon demand by the STATE. The STATE may also utilize all other remedies provided under the Contract and by law and rules.
  - 7. In the event that there is a conflict between the Federal General Conditions, HUD 5370-C (10/2006) and the State General Conditions, AG-008 103D General Conditions, the more restrictive shall apply.
  - 8. In addition to General Conditions (AG-008 103D General Conditions), section 6. Subcontracts and Assignments, the CONTRACTOR shall not assign or subcontract any of the CONTRACTOR's duties, obligations, or interests under this Contract without the prior written consent of the Attorney General's Office.





**STATE OF HAWAII**  
**SPECIAL CONDITIONS**

9. The CONTRACTOR shall consult with the Attorney General's Office on issue of local or State law.
10. Interchangeable Terms. The following terms shall be one and same:
  - a. "STATE" and "HPHA".
  - b. "Contract" and "Agreement".